

1 Q (MS. TAYLOR) IF THE AT&T PANEL WOULD LIKE TO RESPOND?

2 A (MR. GUEPE) YES. AT&T'S POSITION IS THAT ALL
3 SERVICES IN ACCORDANCE WITH THE ACT SHOULD BE MADE
4 AVAILABLE FOR RESALE, AND THE F.C.C. ORDER ACTUALLY
5 ADDRESSED CONTRACT SERVICE ARRANGEMENTS, LIFELINE
6 PROMOTIONS, AND SAID THAT THESE SERVICES SHOULD BE MADE
7 AVAILABLE FOR RESALE, THAT THEY WERE RETAIL SERVICES AND
8 SHOULD BE MADE AVAILABLE FOR RESALE AT A WHOLESALE
9 DISCOUNT. PROMOTIONS LESS THAN 90 DAYS WAS PART OF ONE
10 EXCEPTION THAT THE F.C.C. MADE TO THAT. THEY WOULD NOT BE
11 AVAILABLE FOR RESALE AT A WHOLESALE DISCOUNT, BUT THEY
12 WOULD STILL BE AVAILABLE FOR RESALE. FOR EXAMPLE, IN THE
13 F.C.C. RULES, SECTION 51.613, RESTRICTIONS ON RESALE, IT
14 TALKS ABOUT THAT SHORT-TERM PROMOTIONS--LET ME SEE
15 (EXAMINING DOCUMENT). OKAY, SHORT-TERM PROMOTIONS, "AN
16 INCUMBENT LEC SHALL APPLY THE WHOLESALE DISCOUNT TO THE
17 ORDINARY RATE FOR A RETAIL SERVICE RATHER THAN A SPECIAL
18 PROMOTION RATE ONLY IF SUCH PROMOTIONS INVOLVE RATES THAT
19 WERE IN EFFECT FOR NO MORE THAN 90 DAYS." SO IF IT'S IN
20 FOR NO MORE THAN 90 DAYS, THEY ARE STILL REQUIRED--THEY
21 WOULD SELL IT AT THE SPECIAL PROMOTIONAL RATE RATHER THAN
22 AT THE WHOLESALE RATE. AT&T AGREES WITH BELL SOUTH THAT
23 IT'S THEIR OBLIGATION TO PROVE THAT ANY RESTRICTIONS ARE
24 REASONABLE AND NONDISCRIMINATORY. THE ACT ITSELF SAYS

1 THAT BELLSOUTH HAS THE OBLIGATION NOT TO PROHIBIT THE
2 RESALE OF TELECOMMUNICATIONS SERVICE. SO THEY CANNOT
3 PROHIBIT IT AND THEY ALSO MAY NOT IMPOSE UNREASONABLE
4 DISCRIMINATORY CONDITIONS OR LIMITATIONS ON THE RESALE OF
5 THOSE SERVICES, THAT ANY LIMITATIONS BEYOND THOSE WHICH
6 ARE DESCRIBED BY THE F.C.C. HAVE TO BE APPROVED BY THE
7 COMMISSION, THAT THE PROOF IS ON BELLSOUTH THEN, AND I
8 HAVEN'T SEEN ANY PROOF PROVIDED BY BELLSOUTH THAT ANY
9 ADDITIONAL LIMITATIONS BEYOND THOSE REQUESTED BY THE
10 F.C.C. ARE APPROPRIATE.

11 A (MS. WINEGARD) IF I JUST MAY ADD ONE POINT TO THAT WITH
12 RESPECT TO CONTRACT SERVICE ARRANGEMENTS, BELLSOUTH HAS
13 STATED THAT THEY SHOULD NOT BE AVAILABLE AT THE DISCOUNT
14 BECAUSE THEY ARE ALREADY A DISCOUNT OFF THE RETAIL PRICE.
15 BUT REMEMBER, THOSE SERVICES, WE WILL HAVE TO ADD OUR
16 RETAIL COST TO, SO BELLSOUTH DOESN'T GIVE US A COMPETITIVE
17 ADVANTAGE. IN OTHER WORDS, CONTRACT SERVICE ARRANGEMENTS,
18 WE GET THE WHOLESALE DISCOUNT, WE HAVE TO ADD OUR COST TO
19 THAT DISCOUNT TO COME UP WITH THE PRICE THAT WE SELL TO
20 END-USERS. THE OTHER POINT I'D LIKE TO MAKE WITH RESPECT
21 TO CONTRACT SERVICE ARRANGEMENTS IS THAT MOST OF THEM DO
22 HAVE AN EARLY TERMINATION CLAUSE SO THAT THE CUSTOMERS
23 THAT HAVE THOSE CONTRACT SERVICE ARRANGEMENTS WOULD NOT
24 LIKELY BE INTERESTED IN PURCHASING THAT SERVICE FROM US.

1 RATHER, WE WOULD USE THOSE CONTRACT SERVICES TO SELL TO
2 OTHER SIMILARLY SITUATED CUSTOMERS.

3 Q (MS. TAYLOR) SINCE BELL SOUTH BEARS THE BURDEN OF
4 PROOF I BELIEVE IN THIS SITUATION, IF YOU HAVE A BRIEF
5 RESPONSE--

6 A (MR. SCHEYE) NO, I THINK THAT'S WHAT--WE AGREE WITH
7 THAT.

8 Q (MS. TAYLOR) OKAY. WE'LL MOVE ONTO THE ISSUE LISTED
9 AS #2: WHAT TERMS AND CONDITIONS, INCLUDING USE OR USER
10 RESTRICTIONS IF ANY, SHOULD BE ALLOWED OR PROHIBITED ON
11 THE RESALE OF BELL SOUTH SERVICES? I WOULD ASK FOR A
12 SUMMARY OF POSITION AGAIN.

13 A (MR. SCHEYE) LET ME BREAK THAT INTO A COUPLE PIECES.
14 THE F.C.C. ORDER--AND I THINK THERE'S NO DISAGREEMENT ON
15 CROSS-CLASS SELLING. WE ALL AGREE, I BELIEVE, THAT
16 RESIDENCE SERVICE HAS TO BE LIMITED TO RESIDENCE CUSTOMERS
17 AND BUSINESS SERVICE TO BUSINESS CUSTOMERS, SO I'M GOING
18 TO ASSUME THAT'S A NONISSUE TO THIS PROCEEDING.
19 SECONDARILY, THE SECOND ISSUE IS, AGAIN, WE BELIEVE THAT
20 THE RATES, TERMS AND CONDITIONS IN OUR TARIFFS APPLY
21 WHETHER THEY BE IN A RETAIL MODE OR A WHOLESALE MODE. IN
22 OTHER WORDS, WE HAVE SERVICES THAT ARE DESCRIBED IN SUCH A
23 FASHION THAT THE TERMS AND CONDITIONS MAKE UP THAT SERVICE
24 TO THE SAME EXTENT THAT THE PRICE DOES. OBVIOUSLY, IF THE

1 TERMS AND CONDITIONS WERE DIFFERENT, THEN MAYBE THE WHOLE
2 PRICING AND THE PRICE STRUCTURE OF THE SERVICE MIGHT HAVE
3 BEEN DIFFERENT. SO ALL WE'RE ASKING IS TO APPLY THE SAME
4 TERMS AND CONDITIONS IN A RETAIL MODE TO OUR OWN END-USERS
5 AS WE DO IN A WHOLESALE MODE TO RESELLERS SUCH AS AT&T.
6 CLEARLY, THAT IS NONDISCRIMINATORY BECAUSE WE'RE TREATING
7 EVERYBODY IDENTICALLY. AND AGAIN TO USE THE ANALOGY THAT
8 WE DISCUSSED YESTERDAY A LITTLE BIT, IN HOME DEPOT OR ANY
9 OTHER STORE, WHEN YOU WALK IN THEY DON'T ASK YOU WHO YOU
10 ARE OR WHETHER YOU'RE A WHOLESALER OR A RETAILER. THEY
11 APPLY WHATEVER TERMS AND CONDITIONS THEY HAVE TO ANYBODY
12 WHO WALKS IN THE FRONT DOOR. THAT'S ALL WE'RE REQUESTING,
13 THAT THE TERMS AND CONDITIONS IN OUR TARIFF THAT YOU HAVE
14 REVIEWED, YOU HAVE APPROVED AND ARE PART AND PARCEL TO
15 THOSE SERVICES CONTINUE TO APPLY IN EXACTLY THE SAME
16 FASHION TO OUR CUSTOMERS AS WELL AS TO ANY RESELLER.

17 A (MR. GUEPE) AT&T DOES NOT BELIEVE THAT ANY OF THE
18 RESTRICTIONS, EVEN IF THEY WERE IN THE EXISTING TERMS AND
19 CONDITIONS OF THE UNDERLYING TARIFF, ARE APPROPRIATE.
20 EXISTING TERMS AND CONDITIONS WERE APPROVED, THE
21 UNDERLYING TARIFFS WERE APPROVED UNDER A MONOPOLY
22 ENVIRONMENT. WE'RE TRYING TO MOVE TO A COMPETITIVE
23 ENVIRONMENT. THE F.C.C., ONCE AGAIN IN ITS ORDER,
24 SPECIFICALLY MENTIONED, AND I'LL QUOTE, THAT "WE CONCLUDE

1 THAT RESALE RESTRICTIONS ARE PRESUMPTIVELY UNREASONABLE.
2 INCUMBENT LEC'S CAN REVOKE THIS PRESUMPTION, BUT ONLY IF
3 THE RESTRICTIONS ARE NARROWLY TAILORED. SUCH RESALE
4 RESTRICTIONS ARE NOT LIMITED TO THOSE FOUND IN THE RESALE
5 AGREEMENT. THEY INCLUDED CONDITIONS AND LIMITATIONS
6 CONTAINED IN THE LEC'S UNDERLYING TARIFF." SO THEY
7 RECOGNIZED THAT WITHIN THE EXISTING TARIFF TO JUST SAY
8 "THESE CONDITIONS APPLY" COULD BE A BARRIER TO ENTRY AND
9 THE APPLICATION OF THESE CONDITIONS SHOULD NOT APPLY TO
10 NEW ENTRANTS.

11 Q (MS. TAYLOR) IF THE COMMISSION DECIDED THAT AT&T
12 COULD RESELL BELLSOUTH SERVICES WITHOUT THE BELLSOUTH
13 TARIFF RESTRICTIONS, SHOULD THE RESTRICTIONS BE REMOVED
14 FROM THE TARIFFS OF BELLSOUTH AS WELL?

15 A (MR. GUEPE) I THINK THE COMPETITIVE MARKET WOULD
16 PROBABLY DICTATE THAT. I MEAN, IN A COMPETITIVE ENVIRON-
17 MENT, LIKE MR. SCHEYE SAID, WELL, WHEN YOU GO INTO HOME
18 DEPOT, THEY DON'T ASK HIM, YOU KNOW, IS HE A CONTRACTOR OR
19 OTHERWISE AND THEY SELL. I'M NOT SURE OF ANY TERMS AND
20 CONDITIONS THEY HAVE OTHER THAN YOU PAYING THEM MONEY AND
21 THEY'LL SELL YOU 2 BY 4'S, BUT THEY DO PROVIDE VOLUME
22 DISCOUNTS FOR HIGHER USE CUSTOMERS OR SOMETHING LIKE THAT.
23 SO THERE IS A DIFFERENTIATION THERE, BUT THAT IS NOT A
24 RESTRICTION ON THE USE OF THE PRODUCT OR WHO CAN BUY THE

1 PRODUCT.

2 Q (MS. TAYLOR) DO YOU HAVE A RESPONSE?

3 A (MR. SCHEYE) I THINK IF THIS COMMISSION WERE TO SAY
4 NO RESTRICTIONS APPLY ON A RESALE BASIS WE WOULD HAVE NO
5 CHOICE BUT TO ATTEMPT TO ELIMINATE ALL THOSE REQUIREMENTS,
6 POTENTIALLY REPRICE THE SERVICES, ET CETERA, AND--WELL,
7 HAVING NOT THOUGHT THROUGH THIS, POTENTIALLY WITHDRAW
8 SERVICES AS NO LONGER BEING ABLE TO OFFER THEM, BECAUSE
9 PART AND PARCEL TO THE SERVICE ARE THE TERMS AND
10 CONDITIONS UNDER WHICH IT IS OFFERED. IF YOU STRIP THAT
11 AWAY FROM IT, IT IS SIMILAR TO STRIPPING AWAY THE PRICE OF
12 IT. YOU HAVE NOTHING LEFT. SO I THINK THERE WOULD BE NO
13 CHOICE FOR US BUT TO LOOK AT EACH AND EVERY SERVICE,
14 FIGURE OUT HOW WE WOULD HAVE TO RESTRUCTURE IT, AND
15 POTENTIALLY REPRICE IT IN ORDER TO ACCOMMODATE THAT.

16 A (MR. VARNER) IF I COULD ADD JUST ONE BRIEF THING, THE
17 TERMS AND CONDITIONS THAT WE'RE TALKING ABOUT ARE NOT
18 THINGS THAT WERE CREATED BY BELL SOUTH OUT OF OLD CLOTH.
19 THESE ARE THE TERMS AND CONDITIONS THAT THIS COMMISSION
20 HAS ALREADY APPROVED AS PART AND PARCEL OF THESE SERVICES.
21 ALL WE'RE ASKING IS THAT THESE TERMS AND CONDITIONS THAT
22 THIS COMMISSION HAS ALREADY APPROVED AS BEING APPLICABLE
23 TO END USERS SHOULD ALSO APPLY TO RESELLERS. THAT'S
24 REALLY ALL WE'RE ASKING.

1 Q (MS. TAYLOR) I'M GOING TO SKIP OVER ISSUES 3 AND 4
2 AND 5 FOR THE MOMENT AND MOVE OVER TO ONE THAT GENERATED
3 MORE DISCUSSION IN THE SUMMARIES. QUICKLY, REGARDING
4 OPERATOR SERVICES AND DIRECTORY ASSISTANCE, FIRST, ISSUE
5 6, THE ROUTING OF CALLS BY BELLSOUTH TO AT&T'S PLATFORM.
6 I BELIEVE THE COMMISSION IS INTERESTED IN THE TECHNICAL
7 FEASIBILITY OF THIS ROUTING; AND IF WE COULD HEAR, IF
8 POSSIBLE, SUMMARIES ON THIS ISSUE ALSO REGARDING WHAT THE
9 ACT AND THE F.C.C.'S ORDER REQUIRES AND AGAIN THE
10 TECHNICAL FEASIBILITY, IF BELLSOUTH WOULD LIKE TO START.

11 A (MR. SCHEYE) SURE. LET ME TRY TO SUMMARIZE A LOT OF
12 WHAT MR. MILNER SAID EARLIER. LINE CLASS CODES IS THE
13 ONLY CAPABILITY TODAY IN THE INDUSTRY AS FAR AS WE KNOW
14 THAT WILL ALLOW AT&T OR ANY OTHER CARRIER TO ROUTE CALLS
15 DIRECTLY TO THEIR OPERATOR USING THE ZERO OR USING 411 TO
16 GET TO THEIR DIRECTORY ASSISTANCE OPERATOR. LINE CLASS
17 CODES ARE A FINITE NUMBER IN EACH SWITCH. SOME SWITCHES
18 HAVE A LOT, SOME HAVE VERY LITTLE. THE CONCERN WE HAVE
19 AND THE CONCERN THAT'S BEEN RAISED IN MANY STATES IS, IF
20 WE ARE REQUIRED TO DO SO, AND SOME STATES HAVE ORDERED IT,
21 WE WILL HAVE A FINITE RESOURCE AND WHAT LIKELY COULD
22 HAPPEN IS WE WILL RUN OUT. WHEN WE RUN OUT, SOME CARRIERS
23 WILL HAVE IT AND OTHER CARRIERS WILL NOT. WE THINK THAT'S
24 NOT THE RIGHT WAY TO PROGRESS WITH COMPETITION.

1 CONVERSELY, THERE IS A LONG-TERM SOLUTION BEING DEVELOPED,
2 PROBABLY AVAILABLE VERY, VERY SHORTLY, WHICH WILL
3 ACCOMMODATE ALL CARRIERS IN WHATEVER TYPE OF LINE CLASS OR
4 SELECTIVE ROUTING THEY REQUIRE. SO ALL WE'RE ASKING IS
5 NOT TO BE REQUIRED TO USE LINE CLASS CODES WHICH IS A
6 FINITE RESOURCE AND WHICH WILL NOT ALLOW EACH CARRIER TO
7 COMPETE EFFECTIVELY WITH EACH OTHER, THAT WE DO NOT
8 BELIEVE IT IS REQUIRED BECAUSE CARRIERS CAN GET TO THEIR
9 OWN OPERATORS OR THEIR OWN DIRECTORY ASSISTANCE OPERATORS
10 USING OTHER DIALING ARRANGEMENTS, BUT RATHER FOCUS THE
11 EFFORT ON A LONG-TERM SOLUTION THAT WILL HOPEFULLY BE WITH
12 US VERY, VERY SHORTLY AND MOVE MORE SMOOTHLY AND MORE
13 GRADUALLY. SO THAT IS OUR PREFERRED APPROACH. AGAIN,
14 SOME STATES HAVE RULED THAT WE WILL IMPLEMENT LINE CLASS
15 CODES. WE EXPECT SIGNIFICANT PROBLEMS IN THOSE STATES AS
16 WE RUN OUT OF THOSE AND HAVE OTHER PROBLEMS. OTHER STATES
17 HAVE SAID, YES, THEY AGREE AND HAVE NOT REQUIRED US TO DO
18 THAT, AND HOPEFULLY WE WILL HAVE A LONG-TERM SOLUTION
19 RELATIVELY SOON AND ESSENTIALLY MAKE THIS PROBLEM GO AWAY.

20 A (MR. HAMMAN) LET ME ADDRESS THE SELECTIVE ROUTING OR
21 CUSTOMIZED ROUTING OR DIRECT ROUTING ISSUE THAT THIS ISSUE
22 REALLY BRINGS UP. BELLSOUTH OR MR. SCHEYE HAS SAID THAT
23 IF WE WANTED TO HAVE OUR CUSTOMERS REACH OUR OPERATOR
24 SERVICES AND DIRECTORY ASSISTANCE PLATFORM, THEN WE COULD

1 HAVE OUR CUSTOMERS DIAL 00 OR AN 800 NUMBER, BUT THAT'S
2 NOT THE WAY THAT THEIR CUSTOMERS CAN REACH THEIR OPERATOR
3 SERVICES OR D.A. PLATFORM TODAY. I BELIEVE THE ACT CALLS
4 FOR US TO HAVE NON--FOR BELLSOUTH TO PROVIDE THIS
5 CAPABILITY AS NONDISCRIMINATORY AND AT PARITY WITH
6 THEMSELVES. IT IS TECHNICALLY FEASIBLE. IF YOU USE THE
7 F.C.C. DEFINITION OF TECHNICAL FEASIBILITY, THEN, QUITE
8 FRANKLY, THEY'RE WRONG IN USING THE TECHNICAL FEASIBILITY
9 DEFINITION THAT THEY'VE EXPANDED ON TO SAY THAT CAPACITY
10 IS A LIMITING FACTOR IN TECHNICAL FEASIBILITY. CAPACITY
11 IS NOT A TECHNICAL FEASIBILITY ISSUE. THE CAPABILITY IS
12 IN THE SWITCHES TODAY USING LINE CLASS CODES; THE
13 CAPABILITY IS IN THE SWITCHES TODAY USING A.I.N. BELL
14 ATLANTIC HAS AGREED WITH AT&T TO PROVIDE THE A.I.N.
15 ROUTING SOLUTION IN MARCH OF THIS YEAR, WHICH IS ONLY A
16 MONTH AWAY. IF BELLSOUTH WOULD HAVE STARTED THIS PROCESS
17 OF DEVELOPMENT FOR AN A.I.N. SOLUTION, WE MIGHT VERY WELL
18 HAVE IT HERE IN SOUTH CAROLINA IN MARCH OF '97, BUT
19 INSTEAD THEY'VE CONTINUED TO SAY THAT THE CAPACITY IS NOT
20 THERE. IN SOUTH CAROLINA, BELLSOUTH HAS SOME VERY ROBUST
21 SWITCHES. THE 5ESS HAS OVER 6,000 LINE CLASS CODES. AT&T
22 IS ASKING TO USE A SIMILAR SET OF LINE CLASS CODES THAT
23 BELLSOUTH IS USING, SOMEWHERE IN THE NEIGHBORHOOD OF 350
24 LINE CLASS CODES. BELLSOUTH PROPOSES THAT IF YOU ARE TO

1 HAVE UP TO EIGHT ILEC'S COME INTO THE MARKET, THEN
2 SOMEBODY IS GOING TO HAVE TO GIVE AT THE END OF THIS. WE
3 BELIEVE THAT BECAUSE THE TECHNICAL CAPABILITY IS THERE
4 TODAY WITH LINE CLASS CODES, IT SHOULD BE MADE AVAILABLE
5 TO US; AND WHAT WE HAVE FOUND THROUGH DIVESTITURE AND
6 OTHER--AS WE GO THROUGH IN THE NETWORK, WHAT WE HAVE FOUND
7 IS MANUFACTURERS DO TAKE A LOOK AT THESE CAPACITY
8 RESTRAINTS IN THEIR SWITCHES AND MAKES MORE CAPACITY
9 AVAILABLE TO US. IN THE CASE OF NORTEL, THEY HAVE IN FACT
10 EXPANDED THE NUMBER OF LINE ATTRIBUTE TABLES--IN THEIR
11 TABLES FROM 1,024 TO 2,048 AND THEN AGAIN TO 4,096, SO
12 IT'S AN EVOLUTIONARY PROCESS TO EXPAND CAPACITY IN THE
13 NETWORK. MANUFACTURERS DO THAT ROUTINELY FOR THEIR
14 CUSTOMERS, AND I WOULD BELIEVE THAT THE SUPPLIERS OF
15 BELLSOUTH HAVE IN MIND THE ABILITY TO DO THAT. YES, THE
16 LONG-TERM SOLUTION WE BELIEVE--AND THE INDUSTRY IS IN FACT
17 WORKING THAT THROUGH THE I.C.C.F. FOR A LONG-TERM SOLUTION
18 AND WE BELIEVE THAT IS WHERE RESOURCES NEED TO BE PLACED,
19 BUT THERE IS NO DATE CERTAIN FOR THAT. THERE IS A DATE
20 CERTAIN FOR LINE CLASS CODES AND THAT'S TODAY. IN
21 GEORGIA, FLORIDA AND TENNESSEE IT HAS BEEN RULED THAT LINE
22 CLASS CODES ARE AVAILABLE TO US AND SHOULD BE PROVIDED.
23 AGAIN, IN THE GEORGIA PROCEEDINGS, IN THE 271 PROCEEDINGS,
24 MR. SCHEYE AND HIS STATEMENT OF GENERALLY AVAILABLE TERMS

1 AND CONDITIONS TO ALL CARRIERS HAS MADE LINE CLASS CODES
2 AVAILABLE AS A SOLUTION FOR ROUTING TO THEIR OPERATOR
3 SERVICES AND D.A. PLATFORMS. WE BELIEVE IT'S TECHNICALLY
4 FEASIBLE AND SHOULD BE PROVIDED.

5 Q (MS. TAYLOR) WOULD YOU LIKE TO COMMENT ON THE
6 BRANDING ISSUE?

7 A (MR. SCHEYE) THE BRANDING ISSUE IS VERY, VERY SIMILAR
8 TO THE SELECTIVE ROUTING ISSUE. YOU NEED ESSENTIALLY THE
9 SAME CAPABILITY IN THE SWITCH WHETHER IT GOES TO THEIR
10 OPERATOR OR OURS. IN ADDITION, WE HAVE MADE AN ADDITIONAL
11 PROPOSAL THAT WILL ACCOMMODATE THAT USING LINE CLASS
12 CODES, WHEREBY WE WOULD SET UP ONE SET OF CODES FOR ALL
13 CARRIERS--AT&T, MCI, SPRINT, WHOEVER MAY COME INTO THE
14 MARKET--AND DIRECT ALL THEIR CALLS TO OUR OPERATOR TO THE
15 EXTENT THEY WANT THAT AND IT WOULD BE EFFECTIVELY AN
16 UNBRANDED OPERATOR ASSISTANCE. IN OTHER WORDS, WHEN YOU
17 SAY "BELLSOUTH", IT WOULD SAY NO ONE AND THAT WAY THEY
18 COULD SHARE THAT. WE COULD DO THAT IN A FASHION THAT
19 WOULD ALLOW THEM TO USE OUR OPERATOR WITHOUT THE BELLSOUTH
20 NAME. NOW, IT DOESN'T BRAND FOR THEM AS THEY HAVE
21 REQUESTED. THE EFFECTIVE BRANDING THAT THEY'RE LOOKING
22 FOR REQUIRES THE SAME LONG-TERM SOLUTION FOR SELECTIVE
23 ROUTING AS THE SELECTIVE ROUTING WE TALKED ABOUT IN THE
24 PRIOR ISSUE. TO THE POINT OF THE GENERALLY AVAILABLE

1 TERMS IN GEORGIA, YES, IT IS INCLUDED IN THERE; YES, THE
2 GEORGIA COMMISSION DID ORDER IT AND THAT'S WHY IT'S
3 INCLUDED IN THERE. THE GEORGIA COMMISSION, HOWEVER, IS
4 CONCERNED THAT WE'RE GOING TO RUN OUT OF CODES AND ARE
5 GOING TO WORRY ABOUT WHAT ARE WE GOING TO DO TO DEAL WITH
6 THAT SITUATION. WE'RE TRYING TO AVOID THAT HERE IN SOUTH
7 CAROLINA BECAUSE IT COULD BE VERY PROBLEMATIC IN MANY
8 SWITCHES WHEN WE START RUNNING OUT OF CODES BEFORE A
9 LONG-TERM SOLUTION IS IN EFFECT.

10 A (MR. VARNER) IF I COULD JUST ADD ONE QUICK THING TO
11 THAT, THERE ARE A NUMBER OF USES FOR THESE THINGS AND NOT
12 ALL OF THEM--THEY'RE NOT JUST USED FOR PROVIDING THINGS
13 BETWEEN US AND COMPETITORS. ONE OF THE THINGS THAT
14 THEY'RE USED FOR IS PUTTING IN OPTIONAL CALLING PLANS,
15 CALLING PLANS OF THE SORT THAT THIS COMMISSION HAS ORDERED
16 TO BE PUT IN FOR VARIOUS TYPE CUSTOMERS WHO WANT SPECIFIC
17 CALLING ARRANGEMENTS. ONCE THE LINE CLASS CODES IN THOSE
18 SWITCHES ARE EXHAUSTED, WE DON'T HAVE THE ABILITY TO DO
19 THAT ANYMORE. SO TO THE EXTENT THAT THIS COMMISSION MAY
20 DETERMINE THAT THERE IS A SPECIAL CALLING PLAN NEEDED FOR
21 A PARTICULAR SEGMENT OF THE COMMUNITY, ONCE THESE ARE
22 EXHAUSTED WE WILL BE UNABLE TO PROVIDE THAT CALLING PLAN
23 SO I THINK THAT'S ANOTHER CONCERN THAT OUGHT TO ENTER INTO
24 YOUR CONSIDERATION ON THIS ISSUE.

1 A (MR. CARROLL) RELATIVE TO BRANDING, WE BELIEVE THAT
2 THIS IS NOT A MATTER OF CAN-DO, IT'S A MATTER OF WANT-TO,
3 AND OVER FORTY COMMISSIONS AND/OR PANELS AROUND THE
4 COUNTRY HAVE SO RULED. SECONDLY, YOU ASKED RELATIVE TO
5 THE ACT AND THE ORDER. THE ACT IS VERY CLEAR IN
6 251(C)(4)(B). IT PRECLUDES DISCRIMINATORY CONDITIONS.
7 SECTION 51.613(C) OF THE FEDERAL REGISTER IS EVEN MORE
8 SPECIFIC AROUND BRANDING, AND IT INDICATES THAT THE
9 BRANDING OR ABSENCE THEREOF AS BELL SOUTH IS PROPOSING IS
10 UNREASONABLE DISCRIMINATION ON RESALE. IN FACT, IN
11 51.613(C)(2) IT GOES ON TO SAY THAT FOR PURPOSES OF THIS
12 SUBPART, UNBRANDING OR REBRANDING SHALL MEAN THAT
13 OPERATOR, CALL COMPLETION OR DIRECTORY ASSISTANCE SERVICES
14 ARE OFFERED IN SUCH A MANNER THAT AN INCUMBENT LEC'S BRAND
15 NAME OR OTHER IDENTIFYING INFORMATION IS NOT IDENTIFIED TO
16 SUBSCRIBERS OR THAT SUCH SERVICES ARE OFFERED IN SUCH A
17 MANNER THAT IT IDENTIFIES TO SUBSCRIBERS THE REQUESTING
18 CARRIER'S BRAND NAME OR OTHER IDENTIFYING INFORMATION.
19 THEREFORE THE ALTERNATIVES FOR CLEC'S THAT BELL SOUTH IS
20 PROPOSING IS NOT ONLY PATENTLY UNFAIR TO CONSUMERS, BUT
21 ALSO IS CONTRARY TO THIS PROVISION. AND I THINK IT'S VERY
22 SIMPLE. IF YOU WERE SUBSCRIBED TO AT&T AND YOU PUNCHED
23 ZERO, YOU WOULDN'T EXPECT TO HEAR "I'M BELL SOUTH" AND I
24 THINK THAT'S THE ESSENCE OF THE ISSUE.

1 A (MR. VARNER) I'D LIKE TO CLEAR UP ONE QUICK THING.
2 MR. CARROLL'S READING OF THE RULES IS A LITTLE BIT OFF
3 KILTER. IT DOESN'T SAY THAT IT'S UNREASONABLE. IT SAYS
4 IT CONSTITUTES A RESTRICTION ON RESALE, AND I MIGHT POINT
5 OUT IT'S A PERMISSIBLE RESTRICTION ON RESALE SHOULD THIS
6 COMMISSION DETERMINE THAT IT IS.

7 Q (MS. TAYLOR) LET ME SUMMARIZE ISSUE 3, I THINK, AS
8 YOU HAVE PROVIDED IN YOUR SUMMARIES OF TESTIMONY.
9 BELL SOUTH HAS COMMITTED TO PROVIDE QUALITY ASSURANCE
10 SERVICES EQUAL TO WHAT IT PROVIDES ITSELF, IS THAT
11 CORRECT?

12 A (MR. SCHEYE) THAT IS CORRECT.

13 Q (MS. TAYLOR) AND AT&T IS REQUESTING DIFFERENT QUALITY
14 ASSURANCE STANDARDS, D.M.O.Q.'S, IS THAT CORRECT?

15 A (MR. CARROLL) NOT DIFFERENT ONES. WE ARE REQUESTING
16 MEASURES IN THE AREAS OF PROVISIONING, MAINTENANCE,
17 BILLING, LINE INFORMATION DATABASE AND CUSTOMER USAGE, SO
18 I WOULDN'T CALL THEM DIFFERENT. IN MR. VARNER'S OPENING
19 STATEMENT, HE STATED THAT WE WERE ASKING FOR MEASURES FOR
20 SERVICES THEY DO NOT OFFER. I DON'T BELIEVE THAT'S THE
21 CASE. IN FACT, WITHIN THOSE MEASURES THERE IS AN AREA
22 WHERE BELL SOUTH HAS AGREED TO TWELVE DISTINCTIVE MEASURES.
23 IT JUST HAPPENS TO BE THE AREA IN WHICH THEY WOULD RENDER
24 TO US A WHOLESALE BILL; BUT IN THE AREA OF PROVISIONING

1 THAT WOULD MEASURE OUR CAPABILITY TO BE ABLE TO UTILIZE
2 THIS SERVICE TO SERVE END-USERS, LIKE MEASURING COMMITTED
3 DUE DATE ON RESIDENCE AND BUSINESS, THEY WOULD NOT COMMIT
4 TO DO THAT. NOW ALL THAT IS IS A MEASURE. WE'RE NOT
5 ASKING FOR PERFORMANCE PENALTIES IN THESE AREAS. WE'RE
6 NOT ASKING FOR SPECIFIC LEVELS OF SERVICE. WE HAVE GOALS
7 THAT WE WOULD LIKE, BUT WE SAID WE'LL ACCEPT WHATEVER YOU
8 PROVIDE FOR YOURSELF AS THE MEASURE OF SUCCESS IN THAT
9 AREA.

10 Q (MS. TAYLOR) AND IF BELLSOUTH WOULD RESPOND TO ITS
11 POSITION ON THE DIRECT MEASURES OF QUALITY AND WHAT IT
12 FEELS IS APPROPRIATE--

13 A (MR. VARNER) THE QUICK ANSWER TO THIS IS THAT THIS IS
14 AN AREA WHEREIN YOU'RE TRYING TO MAKE A PARITY. THIS
15 COMMISSION ALREADY HAS SERVICE QUALITY RULES TO WHICH
16 BELLSOUTH MUST COMPLY, AND WE THINK THAT THE ONLY THING
17 THAT'S NECESSARY IS FOR US TO DEMONSTRATE THAT WE'RE
18 PROVIDING THE SAME LEVEL OF SERVICE QUALITY TO OUR
19 END-USER CUSTOMERS THAT WE'RE PROVIDING TO OUR COMPETITORS
20 UNDER THOSE RULES. THE SET OF D.M.O.Q.'S THAT HAS BEEN
21 REFERENCED I THINK WAS EARLIER IN AT&T'S TESTIMONY,
22 REFERENCED THE TENNESSEE ATTACHMENT 12 TO THE ORDER WHICH
23 I JUST HAPPEN TO HAVE IN FRONT OF ME. IF YOU'LL GO DOWN
24 THAT LIST, IT SAYS INSTALLATIONS FOR FUNCTIONS PERFORMED

1 BY BELLSOUTH WILL MEET THE FOLLOWING D.M.O.Q.'S: DESIRED
2 DUE DATE, 90 PERCENT. WE DO NOT GIVE A DESIRED DUE DATE
3 TO CUSTOMERS FOR BASIC RESIDENCE SERVICE. THAT'S A
4 SERVICE WE DON'T OFFER. SO WHY AT&T WANTS TO HAVE THAT AS
5 A MEASUREMENT OF PARITY I CAN'T UNDERSTAND SINCE THEY'RE
6 ASKING US FOR PARITY ON A SERVICE THAT WE DON'T OFFER. IT
7 GOES DOWN, FOR EXAMPLE--SOME OF THEM ARE QUITE
8 INTERESTING. MISSED APPOINTMENTS IS LESS THAN ONE PERCENT
9 FOR RESIDENCE AND ZERO FOR BUSINESS; THEREFORE, THERE ARE
10 NO MISSED APPOINTMENTS ALLOWED FOR BUSINESS. THIS IS NOT
11 A MEASUREMENT OF PARITY. THE QUESTION HERE IS NOT WHETHER
12 OR NOT WE'RE TREATING OUR CUSTOMERS AND AT&T THE SAME.
13 WHAT THEY'VE DONE IS THEY'VE ESTABLISHED A SET OF
14 MEASUREMENTS, WHICH IS WHAT THEY WANT, AND THEY'RE
15 DEMANDING THAT BELLSOUTH COMPLY WITH THEM AND THAT'S NOT
16 WHAT PARITY IS.

17 A (MR. CARROLL) MR. VARNER HAS FAILED TO READ SECTION
18 12.1 WHICH CLEARLY SAYS, THAT TO THE EXTENT THAT STANDARDS
19 OF PERFORMANCE BY BELLSOUTH ARE HIGHER THAN THE STANDARDS
20 OF MEASUREMENT THAT BELLSOUTH PROVIDES TO ITSELF OR ITS
21 END-USERS PURSUANT TO ITS OWN INTERNAL PROCEDURES,
22 BELLSOUTH'S OWN LEVEL OF PERFORMANCE SHALL APPLY. SO
23 THOSE NUMBERS ARE WHAT WE WOULD LIKE, BUT WE'VE CLEARLY
24 TOLD THEM AND IT'S IN THE AGREEMENT--AND THIS IS WHAT

1 TENNESSEE ACCEPTED, THAT THEIR OWN LEVEL OF PERFORMANCE
2 SHALL APPLY.

3 A (MR. SCHEYE) I JUST WANTED TO MENTION THE APPROACH WE
4 HAVE TRIED TO USE WITH--AND BEEN ACCEPTED BY ESSENTIALLY
5 EVERY OTHER CARRIER BESIDES AT&T AND MAYBE ONE OR TWO
6 OTHERS. PERFORMANCE MEASURES ARE SOMETHING THAT'S OF
7 INTEREST TO ALL CARRIERS--RESELLERS, FACILITY-BASED
8 CARRIERS, ET CETERA. WHAT WE WOULD LIKE TO DO IS SPEND
9 180 DAYS, SIX MONTHS LET'S SAY, DEVELOPING A SET OF
10 STANDARDS THAT EVERYBODY CAN APPLY. IN OTHER WORDS, GET
11 INPUT FROM ALL OF THE CARRIERS, NOT JUST ONE CARRIER, AND
12 DEVELOP THE MEASUREMENTS THAT EVERYONE CAN USE, BECAUSE
13 WHAT AT&T WANTS MAY BE DIFFERENT THAN WHAT MCI WANTS, IT
14 MAY BE DIFFERENT FROM A SMALL RESELLER. SO WE THINK,
15 BECAUSE IT IS AN IMPORTANT ISSUE FOR ALL CARRIERS, THE
16 MOST EFFICIENT WAY TO DO THIS IS TO GET ALL THE CARRIERS,
17 GET ALL THEIR INPUT, AND THEN DEVELOP ONE STANDARD SET OF
18 INPUTS, ONE STANDARD SET OF REPORTS IF THE CARRIERS NEED
19 THEM, RATHER THAN DO THIS CARRIER BY CARRIER BECAUSE
20 CARRIERS WILL NOT BE ABLE TO GET THE SAME TYPE OF THING
21 NOR DO WE BELIEVE THAT ONE CARRIER, AT&T OR EVEN
22 BELLSOUTH, OUGHT TO BE THE ONE DICTATING WHAT THOSE
23 MEASUREMENTS ARE, BUT RATHER LET THE INDUSTRY WORK
24 TOGETHER AND THAT'S BEEN ACCEPTED BY SEVERAL COMMISSIONS

1 AND SEVERAL OTHER CARRIERS AND THAT'S THE APPROACH WE
2 WOULD LIKE TO USE HERE AS WELL.

3 A (MR. CARROLL) I'D LIKE TO POINT OUT TO THE COMMISSION
4 THAT A.C.S.I. IN GEORGIA HAD A COMPLAINT BEFORE THE PUBLIC
5 SERVICE COMMISSION RELATIVE TO PROVISIONING OF SOME NUMBER
6 OF LOCAL LOOPS. THIS ISSUE IS IMPORTANT TO THE CONSUMERS
7 THROUGHOUT THE STATE OF SOUTH CAROLINA. THIS KIND OF
8 MEASURES THAT WE'RE ASKING FOR IN THESE KEY AREAS WILL
9 ENABLE US TO DO A BETTER JOB OF SERVING THOSE END-USERS IN
10 TERMS OF SERVICE, AND SO WE DO NOT BELIEVE THESE ARE
11 ONEROUS, AGAIN NO PENALTIES IMPOSED, JUST AREAS TO BE
12 MEASURED. THE DUE DATE ON PROVISIONING FOR RESIDENCE AND
13 BUSINESS IS ONE THING WE'RE ASKING FOR. WE THINK THAT'S
14 REASONABLE. WE THINK DESIRED DUE DATE IS REASONABLE. IF
15 YOU WERE A CUSTOMER AND YOU CALLED IN AND WE ASKED YOU
16 WHEN YOU ORDERED IT VERSUS WHEN WE COULD GIVE IT TO YOU, I
17 THINK THAT'S IMPORTANT TO KNOW TO IMPROVE SERVICE TO
18 CONSUMERS. WE'D LIKE TO SERVE IT WHEN YOU WOULD LIKE TO
19 HAVE IT. THAT'S WHAT COMPETITION IS ALL ABOUT.

20 Q (MS. TAYLOR) OKAY, FOR THE LAST TWO QUESTIONS I DO
21 NEED TO RESTRICT YOUR REPLIES. I THINK REALLY ONLY ONE
22 SHOULD BE ALLOWED AT THIS POINT. I BELIEVE THE ONLY
23 REMAINING ISSUES ARE 4 AND 5; AND IF IT WOULD SUIT THE
24 PARTIES, AGAIN WE WILL TAKE A SUMMARY DISCUSSION OF THOSE.

1 ISSUE 4 IS REGARDING BELLSOUTH FINANCIAL RESPONSIBILITY
2 REGARDING UNBILLABLES AND UNCOLLECTIBLES, IF YOU WOULD
3 LIKE TO SUMMARIZE YOUR POSITION IN DISPUTE THERE, AND
4 WE'LL BEGIN WITH BELLSOUTH.

5 A (MR. SCHEYE) BELLSOUTH WILL TAKE RESPONSIBILITY FOR
6 ANY ERRORS AND CERTAINLY ANY OMISSIONS. BELLSOUTH IS
7 PROPOSING THAT ANY PAYMENTS, IF THERE ARE ANY REQUIRED, BE
8 NET OF WHAT AT&T WOULD HAVE PAID US. IN OTHER WORDS, IF
9 THEY CAN'T COMPLETE A CALL OR SOMETHING, THEY WOULDN'T
10 HAVE PAID US ACCESS, THEY WOULDN'T HAVE RECEIVED A
11 REVENUE, THAT IF THERE IS ANY LIABILITY ASSOCIATED WITH
12 OUR ERROR IN THAT CASE, THAT WE NET THE TWO TOGETHER AND
13 PAY ACCORDINGLY. THOSE ARE PROVISIONS THAT ARE SIMILAR TO
14 WHAT WE DO TODAY IN THE ACCESS WORLD, ET CETERA, AND WE
15 BELIEVE THEY CAN APPLY HERE. WE DO NOT BELIEVE AND I
16 BELIEVE AT&T DOES NOT BELIEVE THAT ANY FURTHER TYPE OF
17 PENALTIES ARE NEEDED OR APPROPRIATE AT THIS TIME.

18 A (MR. CARROLL) WHAT BELLSOUTH WOULD LIKE TO DO IS NET
19 OUR COST OUT OF THE REVENUES SO WHEN THEY'RE NEGLIGENT
20 THAT CAUSES THE REVENUES TO BE LOST. WE DON'T THINK
21 THAT'S APPROPRIATE. WE THINK THE PROVISIONS IN THE ACCESS
22 TARIFFS ARE APPROPRIATE. THAT'S WHAT HAPPENS IN THAT
23 WORLD AND THAT'S WHAT WE THINK IS APPROPRIATE IN THIS
24 AREA.

1 CHAIRMAN BUTLER: IS IT THE
2 INTENTION TO HAVE CLOSING ARGUMENTS ON
3 THIS MATTER OR FILE BRIEFS?

4 MR. MCNEELY: MR. CHAIRMAN, AT&T'S
5 INTENT WAS TO WAIVE CLOSING AND ASK FOR
6 PERMISSION TO FILE BRIEFS ON THIS
7 MATTER.

8 MR. LIGHTSEY: MR. CHAIRMAN, GIVEN
9 THE LATE HOUR OF THE DAY AND OUR DESIRE
10 TO CONCLUDE, WE CERTAINLY WOULD HAVE NO
11 OBJECTION TO THAT.

12 CHAIRMAN BUTLER: ALL RIGHT.

13 MR. ELAM?

14 MR. ELAM: YES, MR. CHAIRMAN,
15 THAT'S FINE WITH US AS LONG AS WE'RE
16 ABLE TO FILE A BRIEF AS WELL.

17 CHAIRMAN BUTLER: OKAY. MR.
18 COLLINS?

19 MR. COLLINS: MR. CHAIRMAN, WE'LL
20 GO ALONG WITH THAT, TOO.

21 MR. MOOD: WE'D LIKE TO FILE A
22 WRITTEN CLOSING STATEMENT--

23 CHAIRMAN BUTLER: ALL RIGHT, THANK
24 YOU.

GO AHEAD.

1
2 Q (MS. TAYLOR) ISSUE 5: SHOULD BELLSOUTH BE REQUIRED
3 TO PROVIDE REAL-TIME AND INTERACTIVE ACCESS VIA ELECTRONIC
4 INTERFACES TO PERFORM--AND THERE ARE A NUMBER OF FUNCTIONS
5 LISTED AT ISSUE.

6 A (MR. SCHEYE) IT'S MY UNDERSTANDING THAT WE'VE
7 EFFECTIVELY RESOLVED THAT ISSUE; AND UNLESS I'M MISSING
8 SOMETHING, I HAVE NO COMMENT OTHER THAN IT'S RESOLVED.

9 Q (MS. TAYLOR) I NEEDED TO MAKE SURE. I WAS UNCLEAR IF
10 IT WAS FULLY RESOLVED OR NOT. THANK YOU.

11 AGAIN, I GUESS IF THE COMMISSIONERS HAVE
12 ANY FINAL QUESTIONS--

13 CHAIRMAN BUTLER: ANY QUESTIONS
14 FROM THE COMMISSIONERS?

15 (NO RESPONSE)

16 MS. TAYLOR: I THINK I'VE FINISHED.

17 VICE CHAIRMAN BRADLEY: HAVE YOU
18 ASKED EVERYTHING YOU NEED TO?

19 MS. TAYLOR: I THINK SO, YES, SIR.

20 VICE CHAIRMAN BRADLEY: ARE YOU
21 SURE?

22 MS. TAYLOR: I'LL TAKE A MINUTE TO
23 LOOK, IF THAT'S OKAY.

24 VICE CHAIRMAN BRADLEY: WHY DON'T

1 YOU GIVE HER A MINUTE TO LOOK OVER HER
2 NOTES TO MAKE SURE.

3 CHAIRMAN BUTLER: THAT'S FINE.

4 WHILE SHE'S LOOKING OVER HER NOTES,
5 SINCE YOU'RE GOING TO ALL AGREE TO FILE
6 BRIEFS, AS YOU KNOW WE DON'T HAVE MUCH
7 TIME TO DECIDE THIS CASE. SO AFTER WE
8 FINISH IN JUST A MOMENT OR TWO, WE'D
9 LIKE YOU TO GET WITH OUR COUNSEL TO WORK
10 OUT A SCHEDULE FOR THE BRIEFS.

11 MR. MCNEELY: I'M SORRY, MS. TAYLOR
12 AND MR. CHAIRMAN. I DID WANT TO
13 INTRODUCE INTO THE RECORD THAT MR.
14 GILLAN DISCUSSED THREE EXHIBITS DURING
15 HIS PRESENTATION IN RESPONSE TO A
16 COMMISSIONER'S QUESTION. I'D LIKE TO
17 HAVE THAT MARKED FOR IDENTIFICATION AND
18 SUBMITTED INTO THE RECORD.

19 CHAIRMAN BUTLER: THAT WILL BE
20 HEARING EXHIBIT #3 AND RECEIVED INTO THE
21 EVIDENCE OF THIS CASE.

22 MR. MCNEELY: THANK YOU, MR.
23 CHAIRMAN.

24 (ACCEPTED INTO EVIDENCE AS HEARING

1 EXHIBIT #3)

2 MS. TAYLOR: UNLESS I'VE MISSED
3 SOMETHING AND I'LL TAKE A CORRECTION AT
4 THIS POINT, I BELIEVE THAT COMPLETES THE
5 QUESTIONING FROM THE COMMISSION.

6 CHAIRMAN BUTLER: ALL RIGHT. IF
7 THERE'S NOTHING FURTHER, WE'RE GOING TO
8 CLOSE THIS CASE AND OUR COUNSEL WILL GET
9 WITH YOU-ALL IMMEDIATELY AFTERWARDS TO
10 WORK OUT A BRIEFING SCHEDULE AND A TIME
11 SCHEDULE; AND WHATEVER SHE COMES UP
12 WITH, WE HOPE YOU-ALL WILL LIVE UP TO.
13 THANK YOU ALL VERY MUCH.

14 (WHEREUPON: AT APPROXIMATELY 5:35
15 P.M., THE HEARING IS ADJOURNED)
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